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February 27, 2002

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Amendment of Part 2 of the Commission's Rules to Allocate Spectrum Below 3 GHz for Mobile and Fixed Services
ET Docket No. 00-258
***Ex Parte* Communication**

Dear Mr. Caton:

Pursuant to Section 1.1206(b) of the Commission's rules, I am writing on behalf of NEC America, Inc. ("NEC") to notify you of an *ex parte* meeting that occurred at the Commission on February 27, 2002 in connection with the above-referenced proceeding. The meeting was held to discuss NEC's comments and reply comments previously filed in this docket. NEC is a manufacturer of private branch exchange ("PBX") and key telephone systems that incorporate wireless handset capabilities using spectrum allocated for unlicensed PCS. The attached materials were distributed at the meeting and served as the basis for discussion.

Those participating in the meeting included Paul Margie, Legal Advisor to Commissioner Copps, Paul Weismantel of NEC and Ari Fitzgerald, Counsel to NEC.

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An original and one copy of this letter is submitted for inclusion in the proceeding record.

Respectfully submitted,

Ari Q. Fitzgerald
Counsel for NEC America, Inc.

cc: Paul Margie, Esquire

Ex Parte Presentation

Agenda

- Overview of NEC Wireless Applications
- Impact of Reallocation on Current UPCS Enterprise Users & Market
- Inability of UPCS to share Spectrum with 3G or MDS
- The Record with Respect to the UPCS Market
- Benefits of WINFORUM & UTStarcom Proposals

NEC Wireless Applications

- Highly scalable In-building, Campus and Enterprise-wide Pico-Cell solution based on Japanese PHS private system
  - Wireless service on Elite Key System, NEAX 2000 & NEAX 2400 PBXs for 2 to 16,000 or more users
  - Integrated with telephone system for feature rich mobile capabilities & cooperative desktop solutions
  - "Wire-line" like voice quality service through relatively clear band and unique UPCS rules
  - Enterprise wide roaming capabilities for multi-site mobile users

NEC Wireless Applications

- Healthcare applications
  - UPCS allows wide variety of caregivers to deliver better and more efficient patient care
- Education applications
  - Safety and security concerns from recent events can be mitigated through teachers and aides having immediate access to communications on campus-wide basis
- Manufacturing, Warehousing, Retail, Hotels
  - Most businesses recognize that wireless connectivity enhances productivity and ROI

Impact on Enterprise Users

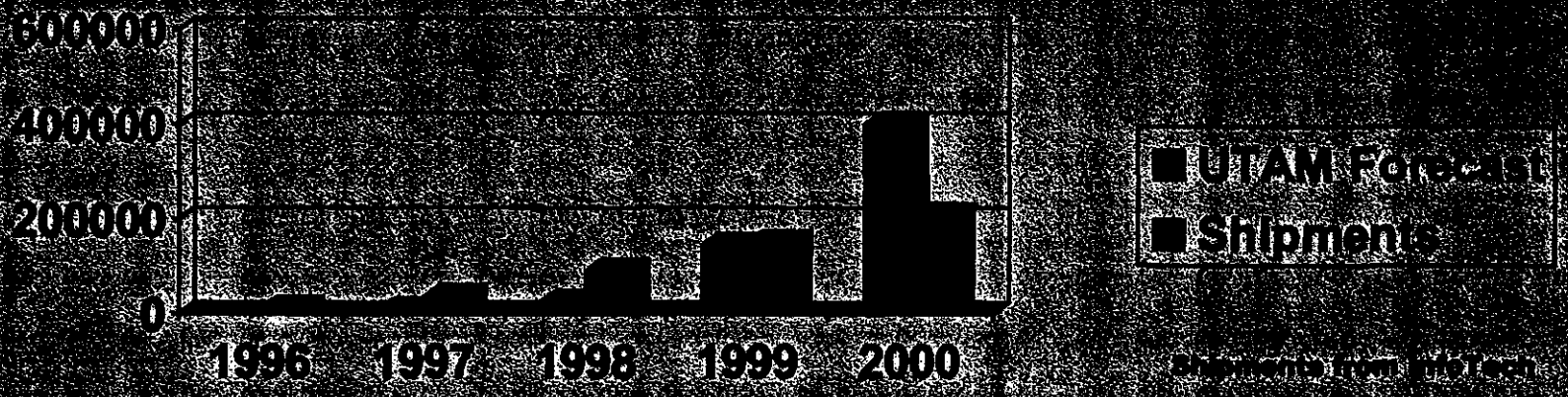
- Spectrum reallocation not practical for UPCS users or manufacturers
  - Neither 3G nor MDS services can effectively utilize the UPCS band without causing interference to UPCS users
  - Renders current investment (hundreds of millions) by enterprises and equipment providers worthless
  - Results in picking winners and losers in market place, with overwhelming benefit to one supplier
  - With no alternative band for UPCS operation, disavows support for the "vital" benefits recognized in the original order establishing UPCS band

Spectrum Management Implications

- Reallocation of 1910-1930 MHz would create inefficient use of spectrum
  - Reallocation would eliminate UPCS as a wireless solution for enterprise users, thereby reducing competition
  - Unlike UPCS, high-powered MDS or TDD would cause harmful interference to PCS, requiring large guard bands (10 MHz) of unusable spectrum
  - Neither result is consistent with sound spectrum management

NEC

UPCS Market



- Original forecast submitted to FCC was met through 1999
  - Initial growth impeded by delay in cost sharing rules
  - Low amount of ISOC bandwidth has made sales to high density users difficult
  - NEC shipments continued to grow through 2001 despite economic downturn

WINFORUM Proposal

- Provides for additional 10 MHz for ISOC operation, as originally contemplated by FCC
  - Applications for high density user clusters in certain large, open environments with high traffic needs
    - e.g., Trading Floors, Purchasing and Customer Service departments
  - Supports voice, messaging, and multi-media applications
    - Additional bandwidth required to support current high quality voice, significant messaging volume, and multiple channel bonded multi-media applications (refer to PHS MoU Web site - http://www.phsmou.or.jp/)

UTStarcom Proposal

- Cooperative use of the 1910-1920 MHz UPCS band
  - Offers benefit of higher utilization of this band, addressing expanded UPCS use & deployments for users in under-served community-based networks
  - Would bring into use globally available solutions at lower prices
  - Minor changes to UTStarcom proposal would allow for coordination with UPCS, PCS, and incumbent licensees

NEC

Summary

- Urgent need to remove market doubts regarding UPCS future
  - Separate UPCS from 3G proceeding
- Adopt WINFORUM proposal to expand on applications available for Enterprise Mobility
- Adopt UTStarcom proposal with additional requirement to submit, in concert with UTAM, procedures for coordinating community wireless networks with incumbents and for participation in cost sharing for band clearing

NEC